Discussion of:

Drivers of Effort:
Evidence from Employee Absenteeism

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Caveats

• The draft I read was 6 month old.
  • Fairly preliminary

• Study on absenteeism in Denmark
  • Not sure I have any particular expertise on the topic
  • Casual empiricism
Overall Picture

• Interesting and important theme

• Interesting data sets.
  • Particularly the hospital one
Overall Picture - Learnings

• Individual vs organizational characteristics:
  • Different from the prior?

• Absenteeism is costly:
  • Correlation vs causality?
  • Presentism

• Family firm matters:
  • Why? No comparative statics.
  • Example: differential employee payment
Causes of Absenteeism

• Reasons:
  • Exogenous: flu, hit by a bus,….
  • Life-related issues: alcoholism, kids, transportation,…
  • Work-related issues: back problems, psychological issues, cancers, accidents,…

• Possible mechanisms unrelated to employee effort:
  • Selection on health or “social” behavior.
  • Better treatment of “dangerous behaviors”
  • Better job safety
  • Better transportation

• Helpful to look at “fun” days but may not be sufficient.
Identification Strategy

• Omitted variable:
  • Standard corporate finance controls but here more socio-economic ones

• Persistent matching
  • Bankruptcy ?
  • Infrastructure ?

• Regime switch:
  • Structural change ? Life cycle ?
  • Change in status
Suggestion

• Absenteeism is correlated with hospitalization.
  • Legitimate reason rather than effort-related?

• Adjustment post sickness:
  • Extrapolating ROA effect (-2.5%)
  • Subsequent effort

• Why not focusing on the consequences of missing work rather than on the drivers of missing work?
  • However, not significant among small firms.
Conclusion

• Interesting start on an important topic.

• I would like to see some more developments of an early draft.
  • Mechanisms
  • Identification

• Looking forward to a more mature version.
  • Refocus on the consequences of absenteeism.
Thank You